



Board Charter

BOARD CHARTER

1. BACKGROUND

GEO Property Group ('the Group') is a stapled group comprising GEO Property Trust (ARSN 104 482 206) and GEO Property Group Limited (ACN 117 546 326). GEO Management Limited (ACN 116 506 882) is the Responsible Entity of the GEO Property Trust and as such the board of GEO Management Limited is deemed to be the Board of the GEO Property Trust.

This charter outlines the functions and responsibilities of the Board of each entity comprising the Group and identifies the functions and responsibilities that have been delegated to management.

2. OVERVIEW

The Board fulfils its obligations to promote securityholder value and protect the assets of the Group:

- ensuring the appointed Board has the relevant expertise and experience;
- ensuring appropriate and effective governance, compliance, risk management and internal control policies are implemented and monitored
- ensuring that the reporting system implemented requires all significant issues relating to the operation and performance of the Group to be brought to the attention of the Board;
- requiring decisions regarding any investments, divestures, funding proposals or other transactions that are either outside the delegated authority limits or cannot be funded by the Group's cash flow to be submitted to the Board for consideration and approval where appropriate;
- ensuring an appropriately constituted compliance committee is in place and operating effectively; and
- constituting Board committees to focus on protecting the interests of the Group's securityholders.

3. BOARD FRAMEWORK

3.1 Board Composition

The composition of the Board is determined with reference to the Constitution and using the following principles:

- The Board should be structured in such a way that it has a proper understanding of, and competence to deal with, current and emerging issues of the Group and can effectively review and challenge the performance of management and exercise independent judgement.
- Board membership may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.
- The Board should have sufficient directors to serve on board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities.

The composition of the Board is to be reviewed on an annual basis, to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new member with particular skills, the Board selects a panel of candidates with the appropriate expertise and skill. Nomination of existing directors for re-appointment is not automatic and is contingent on their past performance, contribution and the current and future requirements of the Board.

New directors are educated about the nature of the Group, the Responsible Entity's obligations, current issues, corporate strategy and the expectations concerning performance of directors.

The terms and conditions of the appointment of and retirement of members of the Board are set out in writing. The appointment letter covers the following matters:

- the manner in which remuneration is determined;
- fellow Directors;
- the term of the appointment, subject to member approval;
- the powers and duties of a Director;
- the expectations of the Board in relation to preparation for and attendance at all Board meetings;
- the expectations regarding committee work;
- confidentiality requirements;
- the procedures for dealing with conflicts of interest;
- the requirement to disclose Directors interest and any matter that may affect Directors independence;
- the availability of independent professional advice;
- insurance arrangements; and
- director education

3.2 Independence

The following definition of director independence has been adopted.

A director is considered an independent non-executive director if not a member of management and if the director:

- is not a substantial shareholder of the Group holding more than 10% of the relevant entity's voting securities, or an officer or otherwise associated directly with a shareholder holding more than 10% of the relevant entity's voting securities, other than as a director of the relevant entity;
- within the last three years has not been employed in an executive capacity by the Group or any subsidiary of the Group or been a director after ceasing to hold any such employment;
- within the last three years has not been, a principal of a material professional adviser or material consultant to the Group or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Group or any subsidiary of the Group, or an officer or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Group or any subsidiary of the Group other than as a director of the Responsible Entity;
- has not been a Board member for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group; and

- is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Group.

The test of whether a relationship or transaction is 'material' will be based on the nature and circumstances of the transaction being reviewed.

Materiality will be considered from the perspective of the Group and the relevant party. As a guideline, a relationship will be considered to be immaterial where it generates in the ordinary course of business, on an arms length basis, less than 5% of the director related business revenue, and will be considered material when it generates more than 10% of the consolidated gross revenue in a twelve month period in the absence of evidence or convincing argument to the contrary.

When reviewing the materiality of activities or relationship between a non-executive director and the Group (other than as a director), the significance of the activities or relationship to the director will be reviewed in the context of their activities as a whole.

Directors identified as independent are required to advise the Board and company secretary where circumstances arise where they no longer satisfy the requirements to be identified as independent.

3.3 Independent Professional Advice

Each director has the right of access to all relevant information and to the Group's executives and, subject to prior consultation with the Chair, may seek independent professional advice at the Group's expense.

4. BOARD ROLE AND RESPONSIBILITIES

The Board's primary roles are the protection and enhancement of long term securityholder value and to protect the interests of the securityholders.

4.1 Board Responsibility

The Board is responsible for:

- oversight of the Group and its governance, compliance, risk management and control systems;
- reviewing, approving and monitoring the Group's corporate strategies, budgets and annual business plans;
- ensuring that effective audit, risk management and regulatory compliance programmes are implemented to protect both the Group's assets and securityholder value;
- reviewing and approving governance policies;
- appointing and removing the Managing Director and Chief Executive Officer;
- ratifying the appointment of the Chief Financial Officer and the Company Secretary;
- reviewing Board and executive succession planning;
- considering management's recommendations on major investments, acquisitions and divestures;
- monitoring financial position, business results and other reporting; and
- reviewing the performance of the Board and board committees.

The Board may delegate any powers to a Committee of Directors.

4.2 Delegation to Management

The Board has retained the responsibility for:

- strategic direction;
- control of the operations; and
- approval of significant acquisitions and divestures,

whilst delegating the responsibility for the day to day operation and administration of the Group to the Managing Director and Chief Executive Officer.

The board has established delegated authority limits within which the Managing Director and Chief Executive Officer must operate.

4.3 Conduct

The Group is committed to maximising securityholder value whilst also promoting securityholder and general market confidence in the Group. Directors, officers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Directors and officers are also required to ensure at all times they comply with the obligations imposed on the Group.

Directors are required to, among other things,

- avoid conflicts of interests between their personal interests and those of the Group;
- not take advantage of opportunities arising from their position for personal gain or in competition with the Group; and
- comply with the Group's trading and other governance policies.

5. BOARD SUB-COMMITTEES

5.1 Audit and Risk Committee

The Board has constituted an Audit and Risk Committee.

The role of the Audit and Risk Committee is to review the integrity, quality and reliability of financial reporting and risk management systems of the Group.

The responsibilities of the Audit and Risk Committee are outlined in the Audit and Risk Committee Charter.

5.2 Remuneration and Nomination Committee

The Board has constituted a Remuneration and Nomination Committee.

The role of the Remuneration and Nomination Committee is to review and make recommendations to the board on remuneration packages and policies applicable to directors. It oversees the appointment and induction process for new directors and advises the board on the composition of the board and evaluates the board's performance.

The responsibilities of the Remuneration and Nomination Committee are outlined in the Remuneration and Nomination Committee Charter.

5.3 Compliance Committee

The Board has constituted a Compliance Committee.

The role of the Compliance Committee is to monitor and report on the extent of the Responsible Entity's compliance with Group compliance plans, the Corporations Act and the Group's constitutions.

The responsibilities of the Compliance Committee are outlined in the Compliance Committee Charter.

5.4 Investment Approval Committee

The Board has constituted an Investment Approval Committee.

The role of the Investment Approval Compliance Committee is to ensure investments and divestments are aligned with agreed strategies and values, all risks are identified and appropriate risk management strategies are pursued so as to optimise maximum value within acceptable risk levels.

6. RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

6.1 Risk Management

The Board has overall responsibility for ensuring a sound system of risk management and internal compliance and control has been implemented.

The Audit and Risk Committee is responsible for advising the board on the system of internal controls and risk management and the financial reporting and audit process.

6.2 Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has implemented an internal control framework that can be described under the following headings:

- Financial reporting - Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly.
- Quality and integrity of personnel - the Group's policies are documented and communicated to all officers and employees. Formal appraisals are conducted at least annually for all employees.
- Investment appraisal - the Group has clearly defined levels of authority and due diligence requirements with regard to investment decisions and where businesses are being acquired or divested.
- Functional speciality reporting – the Group has identified a number of key areas which are subject to regular reporting to the Board, such as treasury, legal, governance and regulatory compliance.

Release date:	28 March 2008	To be reviewed by:	28 March 2009
Owner:	Group General Manager Corporate Services	Approved by:	Board
Version Number:	Last updated:	Modified by:	Comments: